

Istook Backs Plan to End Moratorium on New Oil Refineries

Washington, D.C. –Rep. Ernest Istook (R-OK) today backed federal legislation to ease construction restrictions facing a number of oil refineries currently operating in the United States. H.R. 3836, the Fuel Supply Improvement Act (FSIA), would ease federal building regulations allowing energy companies to build new gas producing refineries for the first time in thirty years. The bill would not only address quickly rising gas prices, but could also provide a major economic boost for oil rich Oklahoma.

“Our national oil and gas industry needs to be updated, especially in the wake of the destruction to platforms and refineries caused by hurricanes Katrina and Rita,” says Istook. “Allowing energy companies to expand by building additional refineries elsewhere will make gas more affordable and have a huge economic impact.”

Cushing, Oklahoma is one place that could feel the effects of a refinery expansion effort. The small town in north central Oklahoma dubbed “The Oil Pipeline Capitol of the World” sprung out of the oil boom of the early 20th century and to this day is the hub of North American oil pipelines. **Three-fourths** of all crude oil flowing through North America pass through Cushing with storage space for 23 million barrels of oil. The total current economic impact in the Oklahoma economy for refining capacity is \$1.21 billion employing a total of 5,531 jobs. New capacity will mean even more impressive numbers.

“Building another refinery near Cushing only makes sense,” added Istook. “When looking to build a business, the owner looks at three important factors: Location, location, location. Hundreds of thousands of barrels of crude flow through Cushing every day. The town already has the infrastructure in place and land available for a huge plant. It would be a perfect fit.”

“Speaking of location, Cushing, Oklahoma is 1,000 miles from both the Gulf and potentially disruptive storms, meaning when hurricanes hit the refineries down south, it would not completely disrupt the flow of gasoline to the rest of the country.”

The FSIA will not only allow current refineries to produce more fuel, but it will encourage energy companies to build new plants and create thousands of new jobs in the process.

The bill will:

- Does not circumvent current environmental laws regulating the oil and gas industry.
- Provide “risk insurance” to a limited number of new refinery proposals covering the costs of delays resulting from frivolous litigation, bureaucratic red tape, and other events out of the applicant’s control.
- Establish an office at the Department of Energy to guide and assist applicants for new refineries through the permitting process.
- Provide litigation support against frivolous court challenges.
- Increase use of spare capacity at small refineries.

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